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SUBJECT: UAE AVIATION UPDATES

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1. (SBU) Summary. The UAE's aviation sector is rapidly growing in both the private and public sectors. During a recently held aviation conference in Abu Dhabi, the Directors General of Arab Civil Aviation Authorities formed an aviation security panel. In addition, commercial aviation services in the Emirates of Abu Dhabi and Ras Al Khaimah are expanding. Etihad Airways, located in Abu Dhabi, is in the process of doubling its staff and will begin flying to 24 new destinations, including the U.S., within the next 6 months. The Emirate of Ras Al Khaimah recently announced the launch of its new airline, RAK Airways, the UAE's fourth national carrier which will begin operating by the end of 2006. End summary.

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Civil Aviation Security Conference  
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2. (U) From February 7-9, the Arab Civil Aviation Commission (ACAC) held its first international security forum in Abu Dhabi, UAE. The UAE's General Civil Aviation Authority and the International Civil Aviation Organization (ICAO) co-hosted the event. The conference ended with a binding agreement to form an Arab aviation security panel of experts with provisions to fund future panel meetings.

3. (U) During the conference, then Minister of Communication, Sultan bin Saeed Al Mansouri (this Ministry has since been abolished) said at least AED 20 billion (USD\$5.4 billion) will be pumped into the UAE aviation sector, with a sizeable portion for security and for the expansion of airports. The number of carriers flying through the UAE exceeded 100 last year, with more than 360,000 flights. &With such growth, we are keen to provide high security through high investments in this sector.8 He said that two months before, ICAO had inspected the security systems and procedures at all UAE airports. &The security systems were found to be leak-proof and even above world standards, which is a matter of great satisfaction,8 Al Mansouri said. He also called on Arab countries to jointly face new challenges in the region's civil aviation sector. &Such challenges and risks require further technological developments that are beyond the capacity of some countries, so joint efforts and cooperation are needed,8 the Minister said. (Note: The UAE is considered a leader in Arab civil aviation safety and security practices. During the conference, the UAE signed an MOU with the European Aviation Safety Agency to cooperate on aviation regulations and safety oversight. End note.)

4. (U) Cresencio Arcos, Assistant Secretary of International Affairs for DHS, also spoke at the conference and urged Arab countries to emulate other regions in launching aviation security initiatives. &It is through regional initiatives that areas of weakness are best addressed where States can

come together and offer mutual assistance, share best practices and devise collective approaches to ensure that security levels are broadly and effectively raised.<sup>8</sup> A/S Arcos also noted the desire of the U.S. to work with Arab states once an effective and viable working group is established in the region. (Note. The UAE, Jordanian, and Saudi Arabian delegates privately urged both TSA and FAA representatives to consider placing a TSA representative in the region to better coordinate information sharing and harmonize aviation security practices. End note.)

¶5. (SBU) Several Arab civil aviation officials admitted in sidebar discussions with TSA delegates that the chief hindrance to forming an Arab regional group was mismanagement and malaise at ACAC headquarters in Rabat, Morocco. The Director General of the UAE's GCAA, Mohammed Al Gaith, told a U.S. delegate, &he had washed his hands<sup>8</sup> of the ACAC security committee once he realized its members were &more interested in trips to Europe and collecting per diem<sup>8</sup> than in accomplishing the goals set forth in the ACAC charter. Al Gaith said the success of the new regional grouping will depend on the outcome of the ACAC's general assembly meeting in the spring when Member States will choose a new executive council. The structure of the ACAC includes a General Assembly, an Executive Council, a Director General, and committees on Air Transport Safety, Aviation Security, Air Navigation, and Financial Control.

¶6. (SBU) Comment: While the conference concluded with broad agreement over the need to form a regional panel of experts, U.S. delegates agreed that the litmus test will be the outcome of upcoming ACAC general assembly and executive committee meetings. Infighting among the ACAC members was already evident at the conference when participants were unable to reach a decision on the date and location of the

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security panel's first meeting. The fact that the Directors General agreed to form an aviation security committee for the first time in ACAC's history, was the real achievement of the meeting. Several delegates said they agreed with the U.S., European and Asia-Pacific views that the Arab region was lagging behind the rest of the world in cooperative regional aviation security efforts.

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Etihad Airways rapidly expanding its operations  
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¶7. (U) On January 22, Econoff and FAA Representative, met with Mr. Helmut Weixler, Head of Flight Operations for Etihad Airways to discuss the Airline's expansion plans. Etihad is planning to double its current workforce of 2000 by the end of 2006. Etihad is also in the process of expanding its reach in the Middle East and globally with its assumption of the Abu Dhabi based Gulf Air flights. Etihad will gain 145 flights from Gulf Air departing Abu Dhabi to 24 destinations within the next 6 months. Within the next three months, the airline will begin flying to 13 new destinations, including Doha, Casablanca, Kuwait, Jakarta, Manila and several cities in Pakistan. Etihad's planned flight to Newark will begin in summer 2006, using Airbus A340-500 aircraft.

¶8. (SBU) Etihad ordered five Boeing 777's to handle the increased flights and originally expected to receive all the aircraft between January and April 2006. The first 777 arrived in Abu Dhabi on February 2. Weixler said that although the aircraft are ready, the delivery date is delayed because the seat manufacturer has failed to meet its deadline. Etihad will fly their current A340-500 on the Newark route and use the 777's on their new routes, although they are requesting permission from the FAA to fly both the 777 and the 340-500 into the U.S. Captain Weixler said that Etihad is concerned with getting the necessary clearances from the FAA and the TSA. Weixler also worries that the airline is growing too fast. He said &it is a pride issue; Etihad has to be the best.<sup>8</sup> By the time Etihad finishes its

fleet, it will have approximately 40 planes.

¶9. (SBU) Another one of Captain Weixler,s concerns was the issuance of U.S. visas for Etihad,s crew. Weixler repeatedly stated, &he knew certain nationalities would be black-balled from receiving visas.8 Econoff assured Weixler that the Embassy does not &black ball8 any person based on their nationality or for any other reason. The FAA representative called the CG and he agreed to meet with Weixler and other Etihad officials regarding the visa issue.

¶10. (SBU) Comment: Etihad officials indicated the airline may be interested in codesharing with Continental Airlines on the Newark flight. However, Etihad asked that this information be kept confidential.

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RAK Airways--Fourth National Airline formed in Ras Al Khaimah  
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¶11. (U) On February 14, The Emirate of Ras Al Khaimah re-announced the creation of its airline, RAK Airways.(An announcement was previously made in November 2004.)H.H. Sheikh Saqr bin Muhammad Al Qasimi,Supreme Council Member and Ruler of Ras Al Khaimah, issued Emiri decree number 3/2006 which creates the new airline. Press reports state that the new airline will be a private joint stock company incorporated in the RAK Free Trade Zone with an authorized capital of AED 1.5 billion. The new airline proposes to raise an initial capital of AED 850 million(USD \$231.4 million)through private investment. The RAK government will be the largest stakeholder in the carrier.

¶12. (U) The government of Ras Al Khaimah views the new airline as part of its developmental strategy focused on tourism and industrial investments. The airline will initially operate a fleet of 8 aircraft and the carrier is currently in negotiations with Boeing and Airbus to purchase the planes. RAK Airways plans to fly to India, Bangladesh, Philippines, Sri Lanka, Pakistan, Iran, Egypt, Lebanon and GCC countries.  
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